

Message Text

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21

ACTION EUR-25

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-02 LAB-06 SIL-01 OMB-01 DODE-00 PM-07 H-03 L-03

NSC-07 PA-04 PRS-01 SS-20 USIA-15 NIC-01 SCI-06 CU-05

DRC-01 /175 W

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R 060945Z JUL 74

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC 9279

INFO AMCONSUL MUNICH

LIMITED OFFICIAL USE BUCHAREST 2924

EO 11652: N/A

TAGS: PINT ECON RO

SUBJECT: ROMANIA TO RAISE PRICES OF WOOD, PAPER AND BUILDING
MATERIALS

REF: A) BUCHAREST A-116; B) BUCHAREST 1961

1. AS PART OF CONTINUING PRICE REALIGNMENTS, ROMANIAN COMMUNIST PARTY EXECUTIVE COMMITTEE VOTED JULY 3 TO "ADJUST" PRODUCTION AND DELIVERY PRICES IN THE WOOD, CELLULOSE AND PAPER, AND BUILDING MATERIALS INDUSTRIES. DECISION WILL PROBABLY QUICKLY BE REFLECTED IN HIGHER PRICES (OR REDUCED AVAILABILITY, OR BOTH) FOR PERIODICALS, BOOKS, AND FURNITURE AND OTHER WOOD PRODUCTS. RUMORS TO THIS EFFECT HAD ALREADY BEEN CIRCULATING IN BUCHAREST FOR SOME TIME. IMPACT ON HOUSING INDUSTRY WILL VERY LIKELY BE FELT MORE ACUTELY BY THOSE WISHING TO CONSTRUCT THEIR OWN RESIDENCES OR SUMMER COTTAGES WITH GOVERNMENT ASSISTANCE, AS PERMITTED BY ROMANIAN HOUSING LEGISLATION.

2. SEVERITY OF IMPACT CANNOT BE ESTIMATED YET AS PRESS ACCOUNTS
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GIVE NO INDICATION OF SIZE OR SCOPE OF PRICE INCREASES. EVEN

BEFORE ANNOUNCEMENT OF PRICE RISES, HOWEVER, ROMANIAN PRESS HAD ALREADY BEEN SIGNIFICANTLY CUT BACK AND BOOK PRINTING RUNS REDUCED (REFS), UNDER JUSTIFICATION OF "WORLD PAPER SHORTAGE." THESE REDUCTIONS CONTINUE. FOR EXAMPLE, CONSTANTA MONTHLY "TOMIS" HAS BECOME A QUARTERLY WITH REDUCED EDITORIAL STAFF ALTHOUGH EDITORS RECENTLY TOLD US THEY HAVE ADQUATE PAPER SUPPLIES ON HAND FOR BUSINESS AS USUAL.

3. WE WOULD NOT EXPECT LARGE INCREASES IN BOOK PRICES, WHICH REMAIN RELATIVELY LOW BY WESTERN STANDARDS, SINCE SUCH A MOVE WOULD CONFLICT WITH SOCIALIST POLICY OF LOW-COST ACCESS TO CULTURAL AND SCIENTIFIC MATERIAL FOR THE MASSES. CAUGHT BETWEEN HIGHER PRODUCTION COSTS AND FAIRLY CONSTANT SELLING PRICES, HOWEVER, PUBLISHERS MAY WELL CUT BACK EVEN MORE ON PRINTING RUNS. BRAMANTE

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PAPERS, PUBLICATIONS, POLICIES, CONSERVATION, NEWSPRINT, NEWSPAPERS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740180-0114
From: BUCHAREST
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Review Exemptions: n/a
Review History: RELEASED <08 MAY 2002 by boyleja>; APPROVED <21 FEB 2003 by shawdg>
Review Markings:

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30 JUN 2005

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Status: NATIVE
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